Sylvamo and International Paper Terminate Georgetown Mill Supply Agreement

October 31, 2024

Sylvamo

The World's Paper Company

Cautionary statement concerning forward-looking statements

This document contains information that includes or is based upon forward-looking statements. Forward-looking statements forecast or state expectations concerning future events. These statements often can be identified by the fact that they do not relate strictly to historical or current facts. They typically use words such as “anticipate,” “assume,” “could,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “should,” “will” and other words and terms of similar meaning, or they are tied to future periods in connection with discussions of Sylvamo’s performance.

Examples of forward-looking statements include, without limitation, those relating to our strategies, plans, expectations and projections, including with respect to: our plans to supply, and the impact of supplying, from our North America mills the products we historically supplied from International Paper’s Georgetown, South Carolina, mill; our North America region strategic initiatives; and global value creation and competitive strategies.

Forward-looking statements are not guarantees of future performance. Any or all forward-looking statements may turn out to be incorrect, and actual results could differ materially from those expressed or implied in forward-looking statements. Forward-looking statements are based on current expectations and the current economic environment. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors that are difficult to predict. Although it is not possible to identify all of these risks, uncertainties and other factors, the impact of the following factors, among others, on us or on our suppliers or customers, could cause our actual results to differ from those in the forward-looking statements: deterioration of global and regional economic and political conditions, including the impact of wars and other conflicts in Ukraine and the Middle East; physical, financial and reputational risks associated with climate change; adverse environmental events, including forest fires on our lands in Brazil; public health crises that could have impacts similar to those experienced as a result of the COVID-19 pandemic; increased costs or reduced availability of the raw materials, energy, transportation (truck, rail and ocean) and labor needed to manufacture and deliver our products; reduced demand for our products due to industry-wide declines in demand for paper, the cyclical nature of the paper industry or competition from other businesses; a material disruption at any of our manufacturing facilities; information technology risks including cybersecurity breaches; extensive environmental laws and regulations, as well as tax and other laws, in the United States, Brazil and other jurisdictions to which we are subject, including our compliance costs and risk of violations and liability; our reliance on a small number of customers; a failure by us to attract and retain senior management and other key and skilled employees; loss of our commercial agreements with International Paper; our indebtedness having a material adverse effect on our financial condition, or our inability to generate sufficient cash to service our indebtedness; and the factors disclosed in Item 1A. Risk Factors in our annual report on Form 10-K for the year ended December 31, 2023, as such disclosures may be amended, supplemented or superseded from time to time by other reports that we file with the Securities and Exchange Commission, including subsequent quarterly reports on Form 10-Q, annual reports on Form 10-K and current reports on Form 8-K.

We assume no obligation to update any forward-looking statements made in this document to reflect subsequent events, circumstances or actual outcomes.

The Georgetown mill supply agreement will be terminated in December 2024

- We are mutually terminating a supply agreement for uncoated freesheet, bristols and specialty papers with International Paper at the Georgetown, South Carolina, mill
- International Paper announced the mill will cease production by the end of December 2024
- We have been preparing for this possibility since our 2021 spinoff
- We expect Georgetown to supply us ~250,000 tons this year (of the 305,000 tons of stated capacity)
- We will retain ~100,000 tons of the most profitable products, which we have largely qualified and/or transitioned to our Ticonderoga and Eastover mills
- We will exit ~150,000 tons of products and have plans to support customers through this transition

2025 North America sales volume expected to decrease by ~150,000 tons

Strategic initiatives will simplify the business, unlock efficiencies and drive earnings growth

- ✓ Retaining ~100,000 tons of the most profitable products
- ✓ Reducing economic downtime in our mill system
- ✓ Improving product mix and streamlining SKUs

We are committed to uncoated freesheet and confident in our future

- Focusing on uncoated freesheet will create long-term value through our talented teams, iconic brands and low-cost mills in favorable locations
- Strengthening our competitive advantages to drive high returns on invested capital and generate free cash flow
- Creating shareowner value through strong cash generation and disciplined capital allocation

We will host our next quarterly earnings call on Tuesday, November 12

Contacts

Investor Relations	**Hans Bjorkman** Vice President, Investor Relations +1-901-519-8030 hans.bjorkman@sylvamo.com
Media	**Adam Ghassemi** Senior Manager, Corporate Communications +1-901-519-8115 adam.ghassemi@sylvamo.com

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